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Asparagus

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2005

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Report Highlights:

Japan produced 29,100 metric tons of fresh asparagus in 2004, in a total growing area of 6,480 hectares. Domestic asparagus supplied approximately 60 percent of the nation's total demand and imports supplied the rest. According to industry sources, cold spring weather delayed the 2005 Hokkaido asparagus harvest, which took place in May and June. Japan imported 1,162 metric tons of fresh U.S. asparagus in the first four months of this year, down approximately 26 percent from last year. A decline in U.S. asparagus imports was due to California's continuous rainfall this spring, which resulted in higher export prices. China is currently a minor player in Japan's fresh asparagus market, but its exports to Japan are quickly expanding.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
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2004 Japanese Production of Fresh Asparagus Up Marginally

In 2004 Japanese production of fresh asparagus was 29,100 metric tons, up approximately 3.9 percent from the previous year, according to the Ministry of Agriculture, Forestry and Fisheries (MAFF). Good weather led to a good crop in the Hokkaido region. Southern regions such as Nagasaki, Saga, Kumamoto and Fukuoka also expanded their production. The nation's asparagus growing area increased approximately 1.4 percent to 6,480 hectares in 2004. Three prefectures produced almost half of the nation's asparagus. Specifically these were Nagano (produced 19 percent of the total), Hokkaido (18 percent) and Nagasaki (10 percent).

Cold Weather Delayed 2005 Hokkaido Harvest

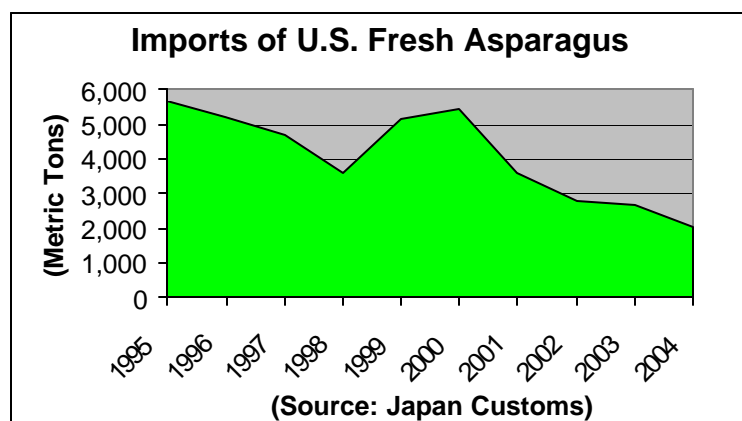
Hokkaido, the north-most island of Japan, experienced cold temperatures in April and May, which significantly delayed its asparagus harvest, according to industry sources. Hokkaido's harvest started in mid May, which was approximately one week to ten days later than average years, and peaked in early June. Japan produces fresh asparagus nationwide and the peak production occurs in May and June. Nagasaki and Saga growers in southern Japan cultivate asparagus in warm green houses in order to sell them in early spring before the other major players come to the market. The majority of domestic asparagus is green and consumed at home. Japanese white asparagus production is very small. In the Hokkaido region, approximately 40 hectares of white asparagus is planted. The production of canning asparagus is decreasing, accounting for approximately 2 percent of the total crop.

2005 Prices:

In early June, domestic asparagus from Hokkaido and Nagano prefectures was trading at \$6.67 - \$7.59 (724 – 824 yen) and \$7.33 - \$7.76 (796 – 842 yen) per kilogram, respectively, at Tokyo's Ohta Wholesale Market. The same week, U.S. asparagus was trading at \$6.09 - \$6.77 (661 – 735 yen) per kilogram, while asparagus from Thailand was trading at around \$7.67 (833 yen) per kilogram. Domestic asparagus was usually packaged in 150-gram or 100-gram bundles. In early June, Tokyo supermarket sold fresh asparagus from Nagano prefecture for \$1.45 (158 yen) per bundle of 100 grams (4 – 5 spears), and Hokkaido asparagus was sold for \$1.82 (198 yen) per bundle of 150 grams.

* The exchange rate of 108.48 yen per dollar is used, based on the Nikkei News on June 13, 2005.

Japanese Imports of U.S. Fresh Asparagus Declined



Increased competition in the Japanese fresh asparagus market forced U.S. exports to decline. In 2004, Japan's total imports of fresh asparagus from the United States were 2,019 metric tons, down approximately 24 percent from the previous year. U.S. asparagus sales peaked from March through June, and competed with Mexican asparagus in an early part of the season, and then competed with domestic asparagus in the later part of the

season. Fresh asparagus from Thailand and the Philippines also affected U.S. asparagus sales in Japan. Japanese imports of U.S. asparagus in the first four months of this year (January – April 2005) were 1,162 metric tons, down approximately 26 percent from the same period the previous year. According to Japanese traders, a decline in imports of U.S. asparagus this season was partly due to California's continuous rainfall in this spring, which resulted in higher export prices. The average import price of U.S. asparagus (May 2005) was \$5.16 per kilogram (CIF), approximately 31 percent higher than last year.

From January to April of 2005, Mexico exported 3,545 metric tons of fresh asparagus to Japan, up approximately 36 percent from the previous season. In March 2005, Japanese traders increased their imports of Mexican asparagus significantly from the previous year since the price of Mexican asparagus was significantly lower than U.S. prices for Japanese buyers, reported Tokyo traders. Thailand also increased its asparagus shipments to Japan significantly during the same period to 1,868 metric tons, up approximately 19 percent from the previous year. The Philippines supplied 752 metric tons in the same period. From January to April of 2005, average import prices of Mexican, Thai and Philippine asparagus were \$4.20, \$5.16 and \$3.50 per kilogram (CIF), respectively.

Japanese retailers sell fresh asparagus year round by supplying it from various countries with different growing seasons. They sell, for example, Mexican asparagus from January through March; U.S. asparagus from March through June; domestic asparagus from April through June; and Australian asparagus from September through December. Fresh asparagus from Thailand and the Philippines is sold year round. Domestic asparagus fills approximately 60 percent of the nation's demand. Imports are sold in a similar manner to domestic asparagus in a 100-gram or 150-gram bundle. In general, imported product is sold approximately 25 – 30 percent cheaper than domestic product. In April 2005, an average Japanese wholesale price for imported asparagus was \$6.97 (756 yen) per kilogram, while the average price for domestic product was \$10.91 (1,184 yen).

Eastern Japan Likes Dark Green Asparagus; West Prefers Light Green One

As a general consumer trend, Eastern Japan (including Tokyo) consumers prefer dark green colored asparagus, while Western Japan (including Osaka) people like light green colored spears, according to Tokyo traders. Hokkaido and Eastern Japan growers produce more of the thick and dark green type, while Nagasaki, Saga and Western Japanese farmers cultivate thin and light green type stalks. U.S. supplies thick and dark green colored asparagus that sells more in Eastern Japan. Asian countries such as Thailand and Philippines supply thin and light green colored asparagus.

Low Cost Chinese Asparagus Continues to Expand

China is still a minor player in the Japanese fresh asparagus market; however, its exports to Japan are quickly growing. In the first four months of this year (January – April 2005), Chinese exports of fresh asparagus to Japan jumped approximately three times higher to 215 metric tons over the same period last year. The average CIF price of Chinese asparagus was \$3.55 per kilogram, significantly less than other imports. Chinese asparagus mainly goes to Japanese restaurants and the food-processing sector since Japanese consumers have strong concerns about pesticide residues on Chinese vegetable products in general including fresh asparagus, reported industry sources. The total imports from China from January to December 2004 were 283 metric tons, valued at \$725,114 (CIF).

Import Duties

Import duties are not subject to further reductions outside of the next round of WTO negotiations. The applicable import duty for fresh asparagus is as follows:

Tariff Code (HS)	Description	Duty Rate
0709.20-000	Fresh Asparagus	3%

All duties are charged on a CIF basis.

PS&D Tables and Trade Matrices

Fresh Asparagus PS&D Table

PSD TABLE						
Country	Japan					
Commodity	Asparagus, Fresh				(HA)(MT)	
	2003	Revised	2004	Estimate	2005	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01/2004		01/2005		01/2006
Area Planted	6320	6480	6260	6520	0	6560
Area Harvested	6320	6480	6260	6520	0	6560
TOTAL Production	27500	29100	27000	29300	0	29600
Imports, Fresh	17000	17147	16200	17500	0	17800
TOTAL SUPPLY	44500	46247	43200	46800	0	47400
Exports, Fresh	0	0	0	0	0	0
Domestic Fresh Market	43950	45697	42660	46260	0	46870
For Processing	550	550	540	540	0	530
TOTAL UTILIZATION	44500	46247	43200	46800	0	47400

Fresh Asparagus Import Trade Matrix

IMPORT TRADE MATRIX			
Country	Japan		
Commodity	Asparagus, Fresh		
Time Period	Jan.-Dec.	Units:	Metric Tons
Imports for:	2003		2004
U.S.	2656	U.S.	2019
Others		Others	
Australia	3864	Australia	4698
Philippines	3636	Thailand	3932
Mexico	3430	Mexico	2642
Thailand	2847	Philippines	2392
New Zealand	1112	New Zealand	704
Peru	137	Peru	403
China	74	China	283
France	63	France	49
Netherlands	26	Netherlands	10
Total for Others	15189		15113
Others not Listed	5		16
Grand Total	17850		17148

Fresh Asparagus Wholesale Price Table

PRICES TABLE			
Country	Japan		
Commodity	Asparagus, Fresh		
Prices in	Yen	per uom	KG
Year	2004	2005	% Change
Jan	1077	955	-11%
Feb	973	785	-19%
Mar	989	932	-6%
Apr	1019	1184	16%
May	914		-100%
Jun	876		-100%
Jul	781		-100%
Aug	700		-100%
Sep	840		-100%
Oct	772		-100%
Nov	682		-100%
Dec	850		-100%
Exchange Rate	108.48	Local Currency/US \$	
Date of Quote	6/13/2005	MM/DD/YYYY	